

NORTHWESTERN Banker Newsletter

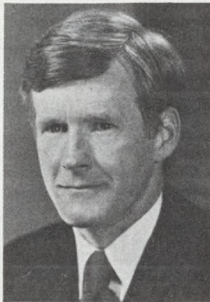
Vol. 5 No. 49

Des Moines, Iowa

April 4, 1977

Riley Questions NCEFT Majority Report

In testimony March 22 before the subcommittee on financial institutions of the Senate Committee on Banking, Housing and Urban Affairs in Washington, D.C., William H. Riley, director of banking and finance of Nebraska, asserted the need for primary



W. H. RILEY

state control over the electronic financial service environment. As a member of the National Commission for Electronic Funds Transfer, Mr. Riley strongly endorsed the NCEFT Report's minority comments entitled "The Gradual Evolution and Development of EFT Within the Nation's Existing Financial Structure."

Emphasizing that he was testifying as a representative of the people of Nebraska and not as a spokesman for its financial institutions, Mr. Riley questioned the Report's failure to "adequately address the interests of states and their residents related to their roles in the patterns of development, deployment and acceptance of emerging electronic financial services." He also took strong exception to those recommendations in the Report which would, if implement-

ed, have a tendency to change the structure of the nation's financial system. "Nowhere in the enabling legislation," he said, "do I find the charge to investigate and recommend changes to the structure of our nation's financial industry."

Mr. Riley identified those recommendations in the Majority Report which, in his opinion, "would do significantly more to upset this nation's dual banking system, to the disservice of the public interest, than they would to enhance the development of electronic financial services for the public."

He expressed strong disagreement, for example, with the Commission's call for state and federal legislation that would require universal statewide proliferation of the deposit-taking function. "I believe that states know best the financial needs of their citizens and the financial climates of their territories and would recommend that the implementation of electronic fund transfer services emerge through the medium of private sector development with local governmental oversight control rather than by a distant federal government providing remote, single-point control," he stated.

He also took exception to the Commission's recommendation which would authorize federally chartered depository institutions,

over time, to offer EFT depository services across contiguous state lines in natural market areas, regardless of whether state-chartered institutions could do so. "This recommendation," he noted, "has a coercive connotation which is contrary to the laws providing states with the right to determine their own financial environments, and would expand by federal fiat electronic financial service facilities not yet known to be desired by the public."

With respect to the Commission's call for nullification of mandatory sharing, Mr. Riley pointed out that approximately 16 states have already enacted legislation providing for mandatory sharing because they determined that such an arrangement best meets the financial needs of their citizens.

Mr. Riley labeled the Commission's recommendation for expediting access through injunctive relief at the federal district court level as an exclusive remedy which "ignores the existence of state financial regulatory agencies and the role they play in regulating the financial environment for the citizens of their states."

Mr. Riley concluded by calling the Commission's proposal for assessment of uniform reserve requirements against all transaction balances, "little more than compulsory affiliation with the Federal Reserve System for reserve-setting purposes."



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To Head Minneapolis Fed

Mark H. Willes, 35, has been named president of the Federal Reserve Bank of Minneapolis. First vice president of the Federal Reserve Bank of Philadelphia, he succeeds Bruce K. MacLaury, who left the bank recently to become president of the Brookings Institution.

Iowa News

The annual State Banking Conference will be held at the Des Moines Hyatt House April 13. This meeting is sponsored by the Federation of County Banker Associations and the Iowa Junior Bankers Association. Registration begins at 8:30 a.m. in the main lobby followed by the program at 9:30. Topics of discussion will include: what's happening in the Iowa Banking Department, the Iowa Transfer System, Iowa legislative scene, federal legislation, community bank management, consumer credit, and the future of Iowa banking.

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NATIONAL BANK



AUDUBON: Audubon Investment Company has received permission to become a bank holding company by acquiring Audubon State Bank (formerly First State Bank) here.

BELMOND: John Bleakney has joined the North Iowa State Bank as assistant vice president. He formerly was with the United Home Bank in Mason City.

BRIDGEWATER: Ron Kniep has been named president of the Union State Bank succeeding his father, Walter Kniep, who recently retired.

CHARITON: Dale Hover has joined the National Bank and Trust as agricultural loan officer.

CLINTON: Dale C. Strickland, vice president of Citizen's National Bank of Boone, has been named executive vice president of the First National Bank here. Leonard T. Lewis, president of Clinton Corn Processing Co., Inc., has been elected a director.

FORT DODGE: The Iowa Lakes Chapter of Bank Administration Institute will meet at the Holiday Inn, Fort Dodge, on Wednesday, April 13, at 6 p.m. The speaker will be H. R. Hollister, senior vice president of United Missouri Bank of Kansas City. This program will be of special interest to directors of small banks. Mr. Hollister lectures

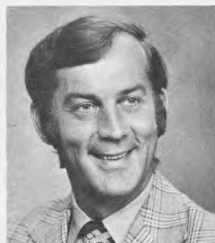
all across the country at bank management clinics, examiner conferences, and has appeared several times at Small Bank Presidents Conferences. BAI members and their directors from all chapters in Iowa are invited to attend this meeting. Contact Bruce McCullough, State Bank of Fort Dodge, 515/573-2154, by Monday, April 11, for reservations.

MANILLA: Gary Woods has been elected executive vice president of Manilla State Bank. He had been with Southwest Bank of Omaha for the past five years.

MARSHALLTOWN: Requests by the Fidelity Brenton Bank and Trust Company and the Security Savings Bank for branch offices in Albion have been turned down by the Iowa Banking Department. The department said that an examination showed that no need for the office exists.

SIBLEY: David D. Vaselaar has joined the Sibley State Bank as executive vice president and chief executive officer and director. He formerly was vice president and director of the Washington County Bank in Blair, Nebr.

WEST UNION: Carroll W. Grimes, 66, has sold his controlling interest in First National Bank and has retired as president and a director. An organizational meeting was scheduled for April 4 to elect new officers. Richard Vagts, senior vice president, will succeed Mr. Grimes on the board. Five additional directors are being named to the board. They are Bruce J. Crandall, senior vice president and cashier; John A. Grimes, vice president and farm rep, who is Mr. Grimes' son; Roger Howard and Richard Smith, area farmers, and Gary Bostrom, owner of a West Union supermarket. The present four directors and six new directors purchased Mr. Grimes' stock. He will continue with the



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MOODY'S: "A-1"
S & P: "AA"

Water and Electric System Revenue Bonds, 1977 Refunding Series

Dated: April 1, 1977

Due: April 1, as shown below

Principal and interest, October 1 and April 1, beginning October 1, 1977, will be payable at the principal office of Commerce Bank of Kansas City, N.A. in Kansas City, Missouri. Bonds will be issued as Coupon Bonds in the denomination of \$5,000, registrable as to principal only, and exchangeable for fully registered Bonds in the denomination of \$5,000, or integral multiples thereof. Coupon and registered Bonds will be interchangeable.

IN THE OPINION OF BOND COUNSEL, INTEREST ON THE BONDS WILL BE EXEMPT FROM PRESENT FEDERAL AND MISSOURI INCOME TAXES UNDER EXISTING LAWS AND REGULATIONS.

MATURITY SCHEDULE

Amount	Year	Coupon	Yield	Amount	Year	Coupon	Yield
\$ 810,000	1978	4.50	3.10%	\$1,345,000	1988*	5.25	4.80%
850,000	1979	5.25	3.50%	1,415,000	1989*	5.25	4.90%
895,000	1980	5.25	3.75%	1,490,000	1990*	5.25	5.00%
940,000	1981	5.25	4.00%	1,570,000	1991*	5.25	5.10%
990,000	1982	5.25	4.20%	1,655,000	1992*	5.25	5.20%
1,045,000	1983	5.25	4.30%	1,745,000	1993*	5.25	5.35%
1,095,000	1984	5.25	4.40%	1,845,000	1994*	5.25	5.50%
1,155,000	1985	5.25	4.50%	1,955,000	1995*	5.25	5.60%
1,215,000	1986	5.25	4.60%	2,070,000	1996*	5.25	5.65%
1,275,000	1987	5.25	4.70%	2,190,000	1997*	5.25	5.65%

*Bonds maturing on or after April 1, 1988, will be subject to prior redemption at the option of the City, on or after April 1, 1987, at 103% (declining thereafter), plus accrued interest.

The Refunding Bonds are to be issued by the City pursuant to an ordinance of the City for the purpose of refunding the entire outstanding principal amount of its Prior Lien Bonds. The Prior Lien Bonds will either be paid at maturity as set forth in the schedule attached to the Official Statement as Appendix I. Pending use for such payments or redemptions, \$24,910,500 of the proceeds of the Refunding Bonds together with monies on deposit in the Water and Light Reserve Fund and the Water and Light Bond Fund created under the ordinances pursuant to which the Prior Lien Bonds were issued will be used to acquire direct obligations of the United States of America. It is anticipated that the Government Obligations so acquired will mature in principal amounts at such times and earn interest at such rates that there will be available sufficient monies to pay or redeem the Prior Lien Bonds as provided in Appendix I. The Government Obligations so acquired will be deposited in trust in an escrow account for the payment of the principal of and interest on the Prior Lien Bonds pursuant to an Escrow Deposit Agreement, between the City and Commerce Bank of Kansas City, N.A.

Approximately \$1,137,500 of the proceeds of the Refunding Bonds will be used to fund fully the Water and Light Reserve Fund previously created pursuant to the Prior Lien Bond Ordinances. There is currently on deposit in the Water and Light Reserve Fund the sum of \$1,662,500. The monies on deposit in the Water and Light Reserve Fund are not available to pay debt service on the Refunding Bonds. In addition, approximately \$2,400,000 of the proceeds of the Refunding Bonds will be deposited in the Bond Reserve Account created pursuant to the Ordinance, which amount will fully fund such account. The monies on deposit in the Bond Reserve Account are pledged to pay debt service on the Refunding Bonds.

For the year ended September 30, 1976, the total revenues of the electric and water system were \$15,886,000; operating expenses (excluding depreciation) were \$9,970,000; and net revenues available for debt service were \$5,916,000. The debt service requirement of \$2,572,000 is covered by these net revenues 2.30 times.

These Bonds are offered when, as and if issued and accepted by the Purchasers, subject to the approval of legality by Bond Counsel, Mudge Rose Guthrie & Alexander, New York, New York. It is expected that delivery of the Bonds to the Purchasers will be made in New York, New York, on or about April 21, 1977.

CALL ON THE "PERFORMANCE TEAM"

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bank as a consultant this year and he and Mrs. Grimes will continue living in West Union.

Nebraska News

OMAHA: Thomas A. Horeis, an employe of First West Side Bank since 1964, has been elected cashier and manager of operations. Gary D. Peterson, an employe since 1971, has been named manager of the bank's new Millard office at 137th Street and Highway 50.

WYMORE: Gary Clark has joined the Wymore State Bank as assistant vice president. He formerly was with the First National Bank of Logan, Ia.

Minnesota News

BENSON: James E. Hruby has been elected ag loan officer and Lester P. Loecher has been named assistant cashier at First State Bank.

HIBBING: Andrew J. (Andy) Micheletti has joined the First National Bank as public relations and marketing assistant.

HUTCHINSON: Steven T. Richards has joined the First National Bank as vice president and also has been named a vice president of Mid America Bancorporation, Inc., parent company of the bank. Mr. Richards is a former partner in the Hutchinson law firm of Keefe, Schantzen, Bradford and Richards.

JACKSON: Gordon Ruskell has been named agricultural representative of the First National Bank. He succeeds Ron Harder who recently resigned and purchased the Jackson Livestock Sales Barn. Mr. Ruskell formerly was senior

loan officer for the Production Credit Association of Blooming Prairie in Kasson, Minn.

LONG PRAIRIE: Promoted at First National Bank were David Heckt and Janet Taber to assistant vice presidents and Timothy Galligher to assistant cashier.

MONTICELLO: Bill Burke recently was named assistant vice president of the Wright County State Bank. He formerly was assistant vice president of the Richland National Bank in Sidney, Mont.

OWATONNA: Evalu Bain was promoted to assistant cashier of the Owatonna State Bank.

PRIOR LAKE: Jim Heebink has been named operations officer and Phyllis Wiese assistant vice president of the Prior Lake State Bank.

STILLWATER: Thomas P. Olson has been appointed president and director of the Oak Park Heights State Bank. He formerly was vice president of the Maplewood State Bank.

Illinois News

EVANSTON: Elizabeth C. Soter has been promoted to vice president at The Evanston Bank. She formerly was assistant vice president of the consumer loan and student loan departments.

Montana News

BILLINGS: The Montana Bankers Association's 1977 Instalment Credit Conference will be held April 14-16 at the Holiday Inn-West here. The conference will begin Thursday evening, April 14, with registration from 5 to 6:30, followed by a pool-side social hour. Friday's

program will include Dr. Maxine Johnson from the University of Montana speaking on "Consumer Attitudes," while Saturday morning's program will feature MBA counsel George Bennett. The conference will conclude by noon Saturday.

North Dakota News

MUNICH: Arlo Maag has joined the First State Bank as vice president. He formerly was with banks in Jamestown and Langdon.

PAGE: Page Bank Holding Company has received approval to become a bank holding company by acquiring Page State Bank.

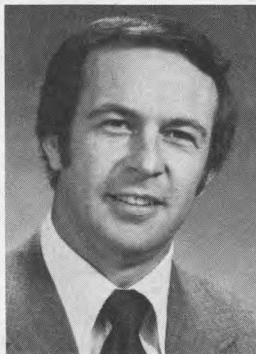
South Dakota News

EDGEMONT: Keith Willard has joined the Southern Hills Bank.

GETTYSBURG: Janice M. Goldhahn has transferred to the First Potter County State Bank here from the First National Bank of Valley City, N.D., where she was assistant cashier in the instalment loan department.

HENRY: Jerry Jacobsen has been named manager of the Henry Office of the Citizens State Bank of Clark.

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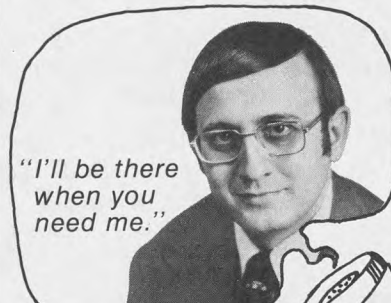
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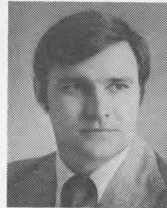
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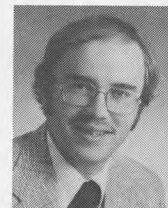
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PIERRE: The South Dakota Bankers Association will hold its Agricultural Conference at the Kings Inn here April 12-13. Registration will be from 8:30 - 9:30 a.m. on Tuesday, April 12. The keynote address, "Let's Keep a Little Profit in Agriculture" will be given by Dr. Earl Butz, former secretary of agriculture, Purdue University, West LaFayette, Ind. A panel will examine security interest on farm products and grain, brand inspection and problems facing the livestock marketing industry. Other topics include: "Taking the Risk out of Money and Marketing," "Outlook for Grain and Grain Exports," "Legislative Overview," and "Estate Planning in Light of the Tax Reform Act of 1976."

Wyoming News

CHEYENNE: First Wyoming Bank has announced the election of two new directors. They are Dr. Henry Tsumagari, M.D., pathologist, and Anthony Andrikopoulos, owner of A. G. Andrikopoulos Oil and Gas Properties.

CHEYENNE: James F. Casey has been appointed operations officer at American National Bank.

POWELL: Jim Whitnell has joined the American National Bank as cashier. He formerly managed a gift shop in Cripple Creek, Colo.

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